

**OKANOGAN COUNTY, WASHINGTON**  
**January 1, 1995 Through December 31, 1995**

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**Schedule Of Findings**

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1. The County Fair Should Improve Internal Controls Over Cash Receipts

During our review of county fair operations, we noted the following internal control weaknesses in the cash receipting system:

- a. A routine cash count on July 31, 1996, revealed that \$559.65 was missing. Fair management was not aware of the shortage.
- b. Access to the cash drawers and the bank bag were not sufficiently restricted. As a result, accountability for funds could not be assigned to a specific individual.
- c. Checks were not restrictively endorsed and the payee line was not consistently completed. These procedures help ensure that checks are deposited in county accounts.
- d. Receipts were not deposited with the county treasurer in a timely manner. For example, a deposit made August 5, 1996, in the amount of \$12,663 included receipts from July 8, 1996.

Washington State Constitution Article XI, Section 15 states in part:

All moneys . . . collected for the use of any county . . .  
coming into the hands of any officer thereof, shall immediately  
be deposited with the treasurer . . . for the benefit of the funds  
to which they belong.

- e. Due to the delay in the deposits, the county lost potential investment earnings. Deposits were not made intact. The composition (cash and check) of the deposit did not match the composition of the receipts. Personal checks were being cashed and refunds were being made from the funds on hand. In addition, checks that were receipted subsequent to the deposit cut-off date were used to replace cash. The deposit would include more checks, and less cash, than it should have.

These weaknesses decrease accountability over cash receipts and increase the risk that errors and/or theft could occur and not be detected in a timely manner, if at all. In 1995 the county fair generated approximately \$127,700.

In the past few years, the State Auditor's Office has worked extensively with the fair management on many of these weaknesses.

We again recommend the county fair establish and maintain adequate internal controls over cash receipts.